

DEPARTMENT OF DEVELOPMENTAL SERVICES 2006-07 BUDGET ACT HIGHLIGHTS

Message from the Interim Director

“Improving and Expanding Services for Persons with Developmental Disabilities”

The 2006-07 budget builds upon California’s strong commitment to provide services and supports to persons with developmental disabilities so they can live in the most integrated community setting appropriate to their needs. The budget allocates \$4 billion (\$2.5 billion General Fund) for the developmental disabilities system, including an increase of \$333 million, or 11.5 percent, for community-based services. This increase does not include the \$2 million reappropriation for the California Developmental Disabilities Information System which is reflected in the highlights detail.

Demonstrating Governor Schwarzenegger’s commitment to employing persons with disabilities, consumer work programs will be strengthened. The budget provides \$180 million for the Supported Employment Program (SEP) and Work Activity Program (WAP), which reflects a 24 percent rate increase for on-the-job training, a doubling of placement fees within the SEP and a 3 percent provider rate increase within the WAP. Also included is \$19.1 million to support wage increases for direct care providers in work activity and community-based day programs. This funding will significantly increase employment opportunities for persons with developmental disabilities. For consumers who are able to work, having a job is a cornerstone to community integration and self-sufficiency.

The Budget also appropriates \$68.4 million for a 3 percent rate increase for providers including community care facilities, day programs and transportation services; \$3 million to assist regional centers in starting up integrated community programs; \$3.2 million to increase case management services; almost \$8 million for regional centers to assist consumers with enrolling in appropriate Medicare Part D prescription drug plans, or purchasing medically necessary drugs not covered by the plans; and \$2.6 million to address the unique challenges involving consumers with Autistic Spectrum Disorder.

The Department’s budget reflects our continued commitment to improve the health and safety of developmental center residents. While overall developmental center expenditures have decreased due to the declining population, additional funding has been added to develop an intensive behavioral treatment program, enhance safety and security, and to replace the dilapidated kitchen at Porterville Developmental Center.

We are pleased to present a budget that not only fully funds the services and supports for our consumers and families, but invests in our providers. It demonstrates the Administration’s continued commitment to the Lanterman Developmental Disabilities Services Act, and the people we serve.

TERRI DELGADILLO

**DEPARTMENT OF DEVELOPMENTAL SERVICES
2006 BUDGET ACT**

FUNDING SUMMARY

(Dollars in Thousands)

	2005-06 Estimated Expenditures	2006-07 Enacted Budget	Difference	Percent Change
BUDGET SUMMARY				
COMMUNITY SERVICES	\$2,903,266	\$3,238,427	\$335,161	11.5%
DEVELOPMENTAL CENTERS	707,090	702,720	-4,370	-0.6%
HEADQUARTERS SUPPORT	37,654	37,897	243	0.6%
TOTALS, ALL PROGRAMS	\$3,648,010	\$3,979,044	\$331,034	9.1%
FUND SOURCES				
General Fund	\$2,255,214	\$2,500,888	\$245,674	10.9%
Reimbursements: Totals All	1,333,698	1,420,581	86,883	6.5%
<i>Home & Community Based Serv. (HCBS) Waiver</i>	654,662	741,312	86,650	13.2%
<i>HCBS Waiver Administration</i>	5,191	6,088	897	17.3%
<i>Medicaid Administration</i>	12,003	15,138	3,135	26.1%
<i>Targeted Case Management</i>	126,529	126,533	4	0.0%
<i>Targeted Case Management Administration</i>	2,875	2,875	0	0.0%
<i>Medi-Cal</i>	321,146	309,998	-11,148	-3.5%
<i>Title XX Social Services Block Grant</i>	203,903	203,903	0	0.0%
<i>Self-Directed HCBS Waiver</i>	0	0	0	-
<i>Self-Directed HCBS Waiver Administration</i>	0	0	0	-
<i>Vocational Rehabilitation</i>	2,510	2,510	0	0.0%
<i>All Other</i>	4,879	12,224	7,345	150.5%
Federal Trust Fund	56,377	55,043	-1,334	-2.4%
Lottery Education Fund	489	489	0	0.0%
Program Development Fund (PDF)	2,000	2,003	3	0.2%
Developmental Disabilities Services Acct. (DDSA)	232	40	-192	-82.8%
AVERAGE CASELOAD				
Developmental Centers	3,043	2,828	-215	-7.1%
Regional Centers	203,823	212,225	8,402	4.1%
AUTHORIZED POSITIONS				
Developmental Centers	7,914.1	7,719.1	-195.0	-2.5%
Headquarters	389.9	397.5	7.6	1.9%

**DEPARTMENT OF DEVELOPMENTAL SERVICES
2006-07 BUDGET ACT**

PROGRAM HIGHLIGHTS

COMMUNITY SERVICES PROGRAM

To provide services and supports to persons with developmental disabilities in the community, the 2006-07 Budget Act includes \$3.2 billion (\$2.1 billion General Fund). This reflects an increase of \$335.2 million, or 11.5 percent, from 2005-06 estimated expenditures. This increase includes a \$2 million reappropriation for the California Developmental Disabilities Information System. Significant changes in 2006-07 are as follows:

3% Provider Rate Increase

To promote provider stability while temporary cost containment measures are continued, a three percent cost-of-living increase of \$68.4 million (\$46.6 million General Fund) is included in the Budget for specific programs for which the Department sets rates: community care facilities, community-based day programs, habilitation services programs, respite agencies and vouchered respite, and for specified contracted-services programs (supported living, transportation, and look-alike day programs).

Collection of FFP for Contracted Services

To collect approximately \$16.1 million effective October 1, 2006 (\$21.4 million annually) in new federal reimbursement for services purchased through bulk contract mechanisms, \$2.1 million (\$1.4 million General Fund) is provided for the additional regional center workload associated with capturing federally-required vendor data, and \$1.3 million (\$1 million General Fund) will be available if necessary to fund workload increases.

Wage and Rate Increase for Day and Work Activity Programs

The Budget includes \$19.1 million (\$13.3 million General Fund) to provide for a rate increase for Day and Work Activity Programs that meet specified criteria valued by consumers and families, including: (1) providing services and supports that are community integrated, non-site-based setting; (2) site-based Day Programs that are converting to a community integrated setting; and (3) Work Activity Programs that are converting to a Supported Employment Program.

Start-Up for New Programs

The Budget provides an increase of \$3 million General Fund for the development of services to increase integrated employment and community participation opportunities for regional center consumers.

Rate Increase for Supported Employment

The Budget includes an increase of \$15.9 million (\$11.1 million General Fund) to increase the rates paid for job coaching for Supported Employment Programs. This increase, when combined with the 3% provider rate increase, raises the job coach rate to \$34.24 per hour, a 24% increase.

Medicare Part D Prescription Drug Benefit

A one-time increase of \$2.9 million General Fund in Operations continues support for regional center consumers enrolled in Medicare Part D in accessing and changing to prescription drug plans that best meet their needs. A one-time increase of \$4.8 million General Fund in Purchase of Services pays for plan premiums if an enhanced plan would better meet the needs of consumers, or to purchase medications in the event neither Medicare nor Medi-Cal covers a medically-necessary drug.

HCBS Waiver Case Management Positions

An increase of \$3.2 million (\$1.7 million General Fund) in regional center Operations funding is included in the Budget for additional case management staff to meet federal Home and Community-Based Services Waiver requirements for the ratio of case managers to Waiver consumers.

Expansion of Autistic Spectrum Disorders Initiative

Also included in the Budget is an increase of \$2.6 million General Fund in Operations funding to meet the immediate challenges in serving consumers with autistic spectrum disorders.

California Developmental Disabilities Information System

The Budget provides for the reappropriation of up to \$2 million General Fund to fund a technical assessment and project management activities for the California Developmental Disabilities Information System (CADDIS) to be used by the 21 regional centers. It also includes a decrease in Information Technology costs pending CADDIS implementation.

Caseload Update and Increased Service Utilization

As a result of caseload estimates and increased utilization of services based on projected consumer needs, the Budget includes a net increase of \$220.7 million (\$174.6 million General Fund) to maintain base services.

DEVELOPMENTAL CENTERS PROGRAM

To support the Developmental Centers system, the 2006-07 Budget Act includes \$702.7 million (\$385 million General Fund). This reflects a net decrease of \$4.4 million, or .6 percent, from 2005-06 estimated expenditures. The total number of authorized positions for the Developmental Centers Program is 7,719.1, a net decrease of 195.0 positions. The budget assumes a population of 2,828 residents, a decrease of 215 residents from 2005-06. Significant changes in 2006-07 in addition to those included in the Agnews Closure Update are as follows:

Developmental Center Population Adjustment

As a result of a population decline of 215 residents (from 3,043 residents in 2005-06 to 2,828 residents in 2006-07), the Budget includes a decrease of \$.5 million (\$.1 million General Fund) and 195 positions in the developmental centers.

Workers' Compensation One-Time Settlement Funding

The budget includes a continuation of \$1.1 million (\$.6 million General Fund) in one-time funds from 2005-06 to coordinate efforts between the Department, the State Compensation Insurance Fund, and employee representatives to resolve workers' compensation claims through the Compromise and Release process.

Medicare Part D

To backfill the loss of Medi-Cal reimbursements resulting from the shift of costs for drugs for DC eligible residents moving from Medi-Cal to Medicare, the Budget includes an increase of \$7.4 million General Fund.

Employer Retirement Contributions and Employee Compensation

To fund employer retirement and employee compensation costs, the Budget also reflects a net increase of \$6.1 million (\$3.5 million General Fund).

Intensive Behavioral Treatment Residence

To open a specialized treatment residence the Budget includes an increase of \$1.2 million General Fund and 13.0 positions to provide secure housing for up to 30 consumers who are the most difficult and violent consumers at the Porterville Developmental Center. The funding also includes 1.0 position for a second Clinical

Director position at the Porterville Developmental Center to focus specifically on the Secure Treatment Program issues.

Office of Protective Services

The budget includes an increase of \$.7 million (\$.4 million General Fund) and 81.0 positions to properly structure the Office of Protective Services field organizations, address workload and security coverage issues, and further the Department's efforts toward implementing the Department of Justice recommendations for improving services. The additional positions will expedite the completion of investigations of incidents of unknown origin and allegations of abuse to better ensure consumer protections.

PORTERVILLE DEVELOPMENTAL CENTER – MAIN KITCHEN

The Capital Outlay budget (not included in the budget highlights total) includes \$23.7 million (\$1.2 million General Fund) to prepare preliminary plans, working drawings, and construction of a new main kitchen at Porterville DC. This project will increase food production and storage capacity, provide an efficient cook/chill food preparation and delivery system, and will meet all health and safety codes.

PLANNED CLOSURE OF AGNEWS DEVELOPMENTAL CENTER

The 2006 Budget Act reflects an increase of \$19.0 million (\$9.7 million General Fund) from the 2005-06 estimated expenditures for the closure of Agnews. This increase reflects the delay in closure from June 30, 2007 to June 30, 2008. The increase is consistent with the activities and fiscal projections included in the Agnews Closure Plan Update and accounts for the following changes:

Developmental Centers – a decrease of \$.2 million (\$4.6 million General Fund reduction and an increase of \$4.4 million Reimbursements) from the 2005-06 estimated expenditures to reflect the increase in population resulting in fewer than projected placements and a delay in the transfer of consumers from Agnews to other DCs until the 2007-08 Fiscal Year. The update also reflects a decrease in funding for staff costs for closure, facility preparation, and consumer relocation costs due to the delay of the closure.

Regional Centers – an increase of \$19.3 million (\$14.3 million General Fund) from the 2005-06 estimated expenditures to reflect the changes in the Community Placement Plan for updated Operations and Purchase of Services costs for the placement of Agnews residents into the community. The update also reflects changes in the placement continuation costs associated with the delay in the closure date.

HEADQUARTERS

The 2006-07 Budget Act includes \$37.9 million (\$25.5 million General Fund) for the Headquarters budget, an increase of \$.2 million, or .6 percent, from 2005-06 estimated expenditures. The total number of Headquarters positions in 2006-07 is 397.5, an increase of 7.6 positions. Significant changes in 2006-07 are as follows:

Employer Retirement Contributions and Employee Compensation

The Headquarters' Budget has been increased by a net of \$.2 million (\$.1 million General Fund) for increased employer retirement contributions and employee compensation costs.

Collection of Federal Financial Participation for Contracted Services

To assist in the collection of additional federal funds the budget includes an increase of .2 million (\$.1 million General Fund) and 2.0 limited term positions to manage the additional Home and Community-Based Services Waiver-related reimbursements for contracted services and to oversee the operation at the regional center level.

Medicare Part D

The budget includes an increase of \$.7 million General Fund, \$.4 million one-time funding for the implementation of, and compliance with, requirements of Medicare Part D, and an ongoing \$.3 million to offset the loss of Medi-Cal reimbursements resulting from the implementation of Medicare Part D.

Office of Protective Services

The budget includes an increase of \$.8 million (\$.5 million General Fund) and 6.0 positions to implement and properly structure the statewide Office of Protective Services, which provides all law enforcement service in the DCs and community facilities. The Budget Trailer Bill includes language authorizing two of the six Headquarters positions, Chief and Deputy Chief, as peace officers.

Expansion of the Autistic Spectrum Disorder Initiative

To provide systemwide coordination of the Autistic Spectrum Disorder Initiative at Headquarters, the budget includes an increase of \$.1 million (\$.08 million General Fund) and one position.

Habilitation Services Program Implementation and Monitoring

The budget includes an increase of \$.09 million (\$.07 million General Fund) to permanently establish a limited-term position to continue implementation and monitoring of habilitation services provided to consumers with developmental disabilities.

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2006 BUDGET ACT**

(Dollars in Thousands)

	2005-06 Estimated Expenditures	2006-07 Enacted Budget	Difference	Percent Change
Community Services Program				
Regional Centers	\$2,883,171	\$3,218,332	\$335,161	11.6%
<i>Operations</i>	454,317	485,826	31,509	6.9%
<i>Purchase of Services</i>	2,428,854	2,732,506	303,652	12.5%
Early Intervention Program	20,095	20,095	0	0.0%
Totals, Community Services	\$2,903,266	\$3,238,427	\$335,161	11.5%
General Fund	\$1,846,151	\$2,088,359	\$242,208	13.1%
General Fund Reappropriation	-2,000	2,000	4,000	-200.0%
PDF	1,732	1,732	0	0.0%
DDSA	232	40	-192	-82.8%
DDSA Reappropriation	0	0	0	-
Federal Trust Fund	53,599	52,239	-1,360	-2.5%
Reimbursements	1,003,552	1,094,057	90,505	9.0%
Developmental Centers Program				
Personal Services	\$554,717	\$544,733	-\$9,984	-1.8%
Operating Expense & Equipment	152,373	157,987	5,614	3.7%
Total, Developmental Centers	\$707,090	\$702,720	-\$4,370	-0.6%
General Fund	\$385,693	\$384,996	-\$697	-0.2%
Federal Trust Fund	620	620	0	0.0%
Lottery Education Fund	489	489	0	0.0%
Reimbursements	320,288	316,615	-3,673	-1.1%
Headquarters Support				
Personal Services	\$28,904	\$30,090	\$1,186	4.1%
Operating Expense & Equipment	8,750	7,807	-943	-10.8%
Total, Headquarters Support	\$37,654	\$37,897	\$243	0.6%
General Fund	\$25,370	\$25,533	\$163	0.6%
Federal Trust Fund	2,158	2,184	26	1.2%
PDF	268	271	3	1.1%
Reimbursements	9,858	9,909	51	0.5%
Totals, All Programs	\$3,648,010	\$3,979,044	\$331,034	9.1%
Total Funding				
General Fund	\$2,257,214	\$2,498,888	\$241,674	10.7%
General Fund Reappropriation	-2,000	2,000	4,000	-200.0%
Federal Trust Fund	56,377	55,043	-1,334	-2.4%
Lottery Education Fund	489	489	0	0.0%
PDF	2,000	2,003	3	0.2%
DDSA	232	40	-192	-82.8%
DDSA Reappropriation	0	0	0	-
Reimbursements	1,333,698	1,420,581	86,883	6.5%
Caseloads				
Developmental Centers	3,043	2,828	-215	-7.1%
Regional Centers	203,823	212,225	8,402	4.1%
Authorized Positions				
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Headquarters	389.9	397.5	7.6	1.9%